(b) if so, whether Government propose to strengthen security features on stamp papers as in the case of currency notes; and

(c) the steps taken to strengthen the mechanism of monitoring the process of the printing and distribution of stamp papers?

THE MINISTER Or STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) to (c) Information relating to loss of revenue on account of circulation of forged stamp papers is maintained by the State Governments as they retain the entire revenue accrued from stamp duty. However, the Central Government has set up a Working Group to identify the prevalent types of forgeries as also to review the adequacy of existing security features in the non-judicial stamp papers and suggest additions/up-gradations thereto. In order to check counterfeiting in judicial and other stamps, India Security Press, Nasik has also been directed to prepare a feasibility report on using some special perforating tools. India Security Press, Nasik and Security Printing Press, Hyderabad have adequate security arrangements, which ensure complete accounting of printed security items.

Risk-Based Supervision for Banks

2759. SHRI RAMACHANDRA KHUNTIA: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether Reserve Bank of India propose to introduce Risk Based Supervision (RBS) for banks and to put in place a Prompt Corrective Action (PCA) mechanism;

(b) if so, the details thereof; and

(c) the fresh steps taken for development of a risk profile and designing a customary supervisory action plan for each bank?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) Yes, Sir.

(b) Risk Based Supervison (RBS) for commercial banks will enhance and refine supervisory practices and bring them in line with international best practices. The objective of RBS is to ensure stablity of the banking

system, to promote efficiency, protect the interests of the depositors and prevent the misuse of banking system RBS will help Banks in identifying deficiencies in systems and controls and to find out appropriate solutions.

Prompt Corrective Action (PCA) is mechanism based on a pre-determined rule-based structured early intevention machanism. PCA is intended to enhance the effectiveness of the existing supervisory frame-work. It has a schedule of corrective action based on three important parameters *i.e.* CRAR, net Non-Performing Assets and Return on Assets, representing capital adequacy, asset quality and profitability respectively. Certain trigger points have been determined under these parameters and for every trigger point, a set of structured and discretionary actions has been proposed, which are designed to pre-empt any deterioration in the soundness of banks.

(c) Reserve Bank of India (RBI) has developed a detailed risk profile template for compilation of risk profiles of commercial banks under RBS. The commercial banks have also been advised by RBI to undertake a self-assessment of their own risk profiles. A tailor-made supervisory programme will be prepared for each bank based on its risk profile.

Cashless hospitalisation of mediclaim policy holders

2760. SHRI VIJAY J. DARDA: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether it is a fact that State-owned insurance companies plan cashless hospitalisation to the holders of mediclaim policies;

(b) if so, whether this facility will be applicable to all the mediclaim policy holders or only some selected new categories will get this benefit; and

(c) whether the insurance companies will evolve modalities to give this benefit to all policy holders; if so, what is the time-frame?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) Yes, Sir.

(b) and (c) The facility applies to new policy holders from 1st October, 2002 while for existing policy holders, the facility will be available from the date of renewal of policy.